

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

AN EXAMINATION BY THE PUBLIC)	
SERVICE COMMISSION OF THE)	
APPLICATION OF THE FUEL ADJUST-)	
MENT CLAUSE OF UNION LIGHT, HEAT)	CASE NO. 9175-B
AND POWER COMPANY FROM MAY 1,)	
1985, TO OCTOBER 31, 1985)	

O R D E R

Pursuant to 807 KAR 5:056, Section 1(11), the Public Service Commission ("Commission") issued an Order on December 4, 1985, requiring Union Light, Heat and Power Company ("ULH&P") to notify its customers of a hearing to be held on January 28, 1986. ULH&P was not required to appear at the scheduled hearing unless an appearance was requested by the Attorney General's Division of Consumer Protection or other interested parties, or by the Commission on its own motion. Furthermore, ULH&P filed an affidavit stating its compliance with the provisions of the Fuel Adjustment Clause as prescribed in 807 KAR 5:056. ULH&P also filed its monthly fuel charges for the 6-month period under review.

Following proper notice, no party of record requested ULH&P to appear at the hearing scheduled for January 28, 1986. After reviewing ULH&P's monthly fuel clause filings for the 6-month period under review, the Commission is of the opinion that ULH&P has complied with the provisions of 807 KAR 5:056.

An additional Order was issued on January 9, 1986, proposing a revision to ULH&P's monthly fuel clause report and requesting comments. The effect of this revision will be to go from a FAC that may continually over- or under-collect to one that will true-up every month. Since this revision will eliminate any future over/under collection of FAC revenues, the Commission must now determine the most appropriate method of dealing with ULH&P's cumulative overrecovery of \$738,538.00 of FAC revenue as of October 31, 1985.¹ It is the opinion of the Commission that ULH&P should update this figure through March 1, 1986, and present evidence why the amount should not be refunded to its customers over a 6-month period. It is also the opinion of the Commission that ULH&P's proposal to eliminate the embedded base cost of fuel from its base energy charge and state all fuel costs separately in its fuel clause would be in violation of Commission regulations, 807 KAR 5:056.

IT IS THEREFORE ORDERED that:

(1) The charges and credits billed by ULH&P through the fuel adjustment clause for the period May 1, 1985, through October 31, 1985, be and they hereby are approved.

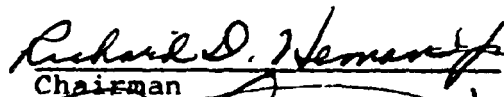
(2) The revised monthly fuel clause report shown at Appendix A be implemented with the fuel clause filing which applies to bills for May 1986.

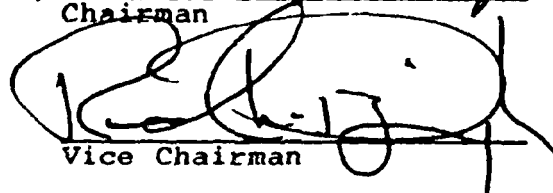
¹ULH&P's response to PSC data request of December 4, 1985.

(3) Within 20 days of the date of this Order ULH&P shall file a schedule of accumulated fuel adjustment over-recoveries through March 1, 1986, and present evidence why this amount should not be refunded to its customers over a 6-month period.

Done at Frankfort, Kentucky, this 1st day of April, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

COMPANY: _____

MONTHLY FUEL ADJUSTMENT CLAUSE (FAC) REPORT

POWER SUPPLIER: _____

Disposition of Energy (KWH) - Month of: _____

1. Total Purchases _____
2. Sales (Ultimate Customer) _____
3. Company Use _____
4. Intersystem Sales _____
5. Other: _____
6. Current Month Sales - S(m)
(L2 + L3) _____
7. Total Sales (L2 + L3 + L4 + L5) _____
8. Line Loss & Unaccounted for
(L1 less L7) _____

- Line Loss
9. Last 12 Months Actual (%) _____
 10. Last Month Used to Compute L9 _____
 11. Line Loss for Month on L10 (%)
(L8 + L1) _____

- Over or (Under) Recovery - Month of: _____
12. Last FAC Rate Billed Consumers _____
 13. Net KWH Billed at the Rate
on L12 _____
 14. FAC Revenue (Refund Resulting
from L12 (Net of Billing
Adjustments) _____
 15. Fuel Charge (Credit) Used to
Compute L12 (for Month used
to Derive L14) _____
 16. Total (Over) or Under
Recovery (L14 less L15) _____

Purchased Power - Month of: _____

17. Fuel Adjustment Charge (Credit):
A. Billed by CG&E _____
- B. Billed by Other Suppliers _____
- C. Total Fuel Costs (L17A + L17B) _____
18. Energy Charge
A. CG&E _____
- B. Other: _____
- C. Total Energy Charges _____

19. Demand Charge

- A. CG&E _____
- B. Other: _____

20. Total Demand Charges

Total Power Costs (L17C + L18C + L19C) _____

21. Energy (KWH)

22. Demand (KW)

23. Supplier's FAC:

- A. Fuel Cost Per KWH (L17C + L21) _____
- B. Current Base Fuel Cost per FERC _____
- C. FAC Rate Per KWH (L23A - L23B) _____

24. Calculation of FAC Billed Consumers

A. Current Month Fuel Cost [F(m)]:

Total FAC Charges (From L17C) _____

Inter System Sales Fuel Cost _____

Recovery

Unrecoverable - Schedule 1 _____

Over/Under Recovery (L16) _____

Recoverable Fuel Cost - F(m)
(L24 A-B-C-D) _____

F(m)*S(m) (L24E+L6) _____

Current Base Period Fuel Cost _____

FAC - \$ per KWH _____

Line 27 Reflects a Fuel Adjustment Charge (Credit) of _____ \$ per KWH to be applied to bills rendered on and after
Issued By: _____, 19____. Issued on: _____, 19____.

Title: _____

Telephone: _____